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SUBJECT: NAS MONTHLY REPORT, JULY 2006

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Classified By: NAS Director Susan Keogh for Reasons 1.4 (B) and (D).

SUMMARY

- 11. (C) The key developments in July 2006:
- ** As of July 29, CORAH eradicated 7,491 hectares of coca.
- ** CORAH eradicator was murdered while working as an advance scout for the eradication team; another was injured by an The Peruvian police are investigating these crimes.
- ** A GAO team visited the NAS-sponsored PNP training academy at Ayacucho.
- ** Interdiction operations in VRAE net 38 cocaine-base laboratories and 3,598 kg of precursor chemicals destroyed.
- ** The Peruvian and Brazilian Air Forces conducted a training exercise in Pucallpa.
- ** In a search for missing American mountain climbers, UH-2s reached 18,000 feet, a record altitude for this type of helicopter.
- ** Cocaine seizures in seaports and airports already exceed last year's figures. The U.S. Coast Guard seized an estimated six tons of cocaine from a Peruvian fishing vessel on the high seas.
- ** New evaluation team provides valuable analysis of demand-reduction programs. END SUMMARY

PRESIDENTIAL INAUGURATION SLOWS ERADICATION

12. (U) As of July 29, CORAH eradicated 7,491 hectares. Eradication operations continue on a reduced schedule because police providing security were pulled away to support the Peruvian presidential inauguration on July 28. One hundred police are currently providing security for 300 eradicators.

The number of police directly affects the number of eradicators in the field. DIRANDRO is expected to be up to full strength the first week of August. Discussions are underway to determine how CORAH can reach its goal of 10,000 hectares when its budget is based on an 8,000 hectare effort. CORAH projects that it could reach 12,000 hectares this calendar year if funding permits.

ONE CORAH WORKER KILLED, ONE WOUNDED IN THE FIELD

13. (U) On July 11, CORAH eradicator Jonhy Diego Cantaro was murdered while working as an advance scout for the eradication team north of Tocache (Ref A). A criminal investigation is ongoing. As a result of Cantaro's murder, CORAH has reviewed all existing security policies and procedures and reiterated that no CORAH scouts or workers may advance beyond the police security perimeter and that they work in teams, accompanied by police whenever they are separated from the main body of eradicators. CORAH did not suspend eradication operations. On July 15, CORAH eradicator Jose Solano was wounded when an IED exploded while he was uprooting a coca plant. He received wounds to his leg and cheek and a sight-threatening injury to one eye. He is now under observation in the Tingo Maria hospital.

USG AND GOP OFFICIALS VISIT POLICE ACADEMY IN AYACUCHO

14. (SBU) On July 12, NAS Director, NAS Police Advisor and PNP General Hidalgo, who is in charge of the Ayacucho region, accompanied a member of a GAO team visiting Peru to the NAS-sponsored PNP training academy at Ayacucho, which began operations in January 2006. The city is the major transit point for drugs coming from the Apurimac-Ene Valley (VRAE) to the coastal ports. They visited with the school's 257 cadets, including 54 female and 11 indigenous students. they graduate in December 2006, they will start a 3-year commitment to do police counter-narcotics work. The students are currently housed and taught in old barracks. Despite cramped quarters, the students showed high discipline, standards, and morale. NAS has plans to fund the construction of a new school facility in 2007. Thirteen hectares of land on the outskirts of Ayacucho have been donated to the PNP by the town for the new school. NAS is waiting for the approval of a U.S. congressional notification to begin construction.

15. (SBU) On July 24, Minister of the Interior Pizarro and Vice-Minister Avilez also visited the Ayacucho PNP training academy with a group of PNP generals. In public remarks to the press and local authorities, the Minister emphasized the contribution of NAS/USG to the success of the new anti-drug police academies and particularly praised the vision of constructing one of the most modern police academies in South America in this drug source region. General Hidalgo also acknowledged publicly the significant support NAS is giving the school and the region.

DIRANDRO CONTINUES DRUG SEIZURES IN THE VRAE

16. (U) In July, DIRANDRO destroyed 38 cocaine-base laboratories and 3,598 kg of precursor chemicals in the VRAE. It also seized 24 kg of cocaine base. To date in 2006, 281 cocaine-base laboratories have been destroyed. This ongoing interdiction operation has been a key factor in the drop of coca leaf prices by half from USD 36 to 18 (120 to 60 Nuevo Soles) per arroba (11.5 kg). On July 8 in Mazamari, DIRANDRO seized 300 kg of cocaine HCl, and on July 15, they seized 160 kg of cocaine HCl and arrested 7 people.

PERU AND BRAZIL HOLD JOINT TRAINING EXERCISE -----

17. (SBU) On July 3-6, the Peruvian (FAP) and Brazilian Air Forces (FAB) conducted a joint training exercise code-named PERBRA. It was staged out of Pucallpa, the main operating

base for NAS east of the Andes. The following FAP aircraft participated: five A-37Bs, one C-26 with FLIR (donated by the USG and returned to Peru in 2005), one Y-12, and one Bell 212 helicopter. Twenty-six FAP personnel used NAS facilities normally provided to FAP CN Joint C-26 Air Squadron when supporting CN/CT missions. The Peruvian and Brazilian Air Forces assigned liaison officers to be aboard each other's aircraft for command and control.

- 18. (C) The training exercise involved passing information and handing off targets between FAP aircraft (A-37B) and FAB aircraft (Super Tucano). Daily daylight exercises involved the FAP A-37s intercepting the FAB Caravan Cessna 208, while the FAB used a Super Tucanos to track and intercept the FAP C-26. The FAP TPS-70 radar located at its base in Yarinacocha tracked the aircraft (FAP and FAB had agreed to penetrate the borders for up to 20 miles). The FAP claimed to have identified one real target during the exercise: The radar tracked the target at 220 knots coming from Brazil to Pucallpa. The operations ordered the A-37s to intercept, but the target disappeared from the screen.
- 19. (C) NAS Director and the Senior Aviation Advisor visited the FAP operations center on July 5 to view the exercise, set up, and target tracking. (NAS COMMENT: In the past, the FAP has not allowed foreigners/USG personnel into their operations center. End Comment). A joint exercise with Colombia is planned for September and another with Brazil in October.

HELICOPTERS USED FOR HIGH-ALTITUDE RESCUE OPERATION

110. (U) On July 1, NAS mounted a search and rescue operation for three American climbers missing in the Andes near Huaraz (Ref B). The NAS-supported FAP C-26 with FLIR was diverted to search for survivors. Three UH-2s were sent from the Santa Lucia Police Base to Huaraz. An Antonov-32 fixed wing aircraft was sent with fuel bladders to refuel the helicopters.

111. (SBU) Late on July 2, the PNP Mountain Rescue Team located the bodies of the three climbers at an elevation of 17,000 feet. The UH-2s attempted to recover the bodies (reaching altitudes of 18,000 feet), but high winds and poor visibility thwarted their efforts. Early on July 4, a NAS helicopter reached a landing zone at 15,800 feet to recover the bodies. They were flown to Huaraz where they were transferred to the NAS B-1900D aircraft and flown to Lima with members of the victims' immediate family on board. The B-1900D also flew several missions bringing critical supplies and equipment to support the operation.

 $\P 12$. (SBU) The UH-2s performed extremely well at the high altitudes demanded by this mission. The Peruvian Air Police and Dyncorp provided pilots and crews.

C-26 AND BEECH 1900D PROGRAMS

113. (SBU) The FAP C-26s have provided valuable CN/CT support in the past 12 months. The maintenance contract with ARINC expires on September 15. NAS is negotiating a reduced-services contract for one more year to support the newly formed FAP C-26 CN Joint Air Squadron, which is working closely with the PNP.

114. (SBU) NAS has signed an agreement with the FAP to train and certify a FAP pilot to be the second pilot-in-command (PIC) of the NAS B-1900D aircraft. There are two FAP copilots (CP). The FAP-designated pilot, who has a U.S. FAA Airline Transport Pilot (ATP) license and rating, will be sent to Flight Safety International (FSI) to be trained and certified for the B-1900D.

SEIZURES INCREASE IN PERUVIAN PORTS AND AT SEA

- 115. (SBU) From January to July, NAS training at Lima's international airport has resulted in seizures totaling over one ton of cocaine and several kilograms of heroin as well as 247 arrests. This total has already exceeded the seizures for all of last year. In July, 150 officers participated in a new training program at the Peruvian Customs Academy, designed in part by NAS Advisors. NAS has also provided an equipment van with tools, generators, compressors, and other required enforcement tools to support Peruvian Customs Special Operations Brigade (BOE) missions.
- 116. (SBU) NAS Ports Program staff supported the high seas seizure by the US Coast Guard (USCG) Cutter "Hamilton" of the Peruvian fishing vessel "Ceci" on July 28, approximately 200 nautical miles west of the Peru-Ecuador border. NAS also provided coordination between USCG, US Interagency, and the Peruvian Coast Guard (DiCapi) for a rendezvous at sea on August 3 with the Peruvian Navy Ship "Aguirre," in order to repatriate the six Peruvian nationals for trial in Peru, and offload the estimated six tons of cocaine HCl for destruction in Peru.

DEMAND REDUCTION PROGRAMS EVALUATED FOR EFFECTIVENESS

117. (U) Two months ago, NAS assembled a team of Peruvians with experience in community development and qualitative evaluation methodology to evaluate NAS community anti-drug coalitions (CAC) programs. The team looked at (1) how well the NGOs are developing community action related to demand reduction, (2) how actively the people in the community contribute to fighting drug abuse in their neighborhood, and (3) how well the NGOs and the community understand the CAC prevention model. The team found that the six coalitions have progressed at different rates—some are doing well and others much less so.